

JUN 11 2001

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE  
BY CO

In the Matter of:

**MICKEY NELSON CLAYTON,**

Respondent.

No. 01A-151 - INS

**CONSENT ORDER**

The State of Arizona Department of Insurance ("Department"), has received evidence that Mickey Nelson Clayton, dba Mickey Clayton Insurance ("Respondent") violated provisions of Title 20, Arizona Revised Statutes. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

**FINDINGS OF FACT**

1. Mickey Nelson Clayton ("Respondent") is, and was at all material times licensed to transact property and casualty insurance as an agent and was licensed as a broker, Arizona license number 15595, which license expires January 31, 2002.

2. Respondent was the agent for Emerlita Padilla (Padilla). Respondent sold homeowners insurance to Padilla underwritten by Foremost Insurance Company effective August 20, 1998 and a commercial liability insurance policy on Padilla's restaurant underwritten by Nova Casualty Company effective September 20, 1997. Padilla's home and restaurant were adjacent to one another.

3. On or about June 22, 1999, Respondent and Padilla were notified by Foremost Insurance Company that Padilla's homeowners insurance policy was going to be non-renewed effective August 20, 1999 for reasons related to the condition of the premises. The policy was in fact non-renewed effective August 20, 1999.

4. On or about October 14, 1999, Respondent completed and submitted an application to Chicago Insurance Company for homeowners insurance for Padilla. Padilla did not provide the answers to the application questions nor did she review or sign the application. Question 7 of the application asked whether "Any coverage had declined, cancelled or non-renewed during the last 3 years?" Respondent answered "No" although he knew Padilla's previous homeowners insurance policy through Foremost had been non-renewed.

5. Question 21 of the application asked "Is property within 300 ft of a commercial or non-residential property?" Respondent answered "NO" although he knew that Padilla's restaurant was adjacent to her home.

6. Respondent represented to the Department that he was negligent in answering these questions but claimed that it was an honest mistake.

7. Chicago Insurance Company issued a policy based on the application and that policy expired on September 21, 2000. No claims were made under that policy and Padilla chose not to renew the policy. The Department discovered the inaccuracies on the Chicago Insurance Company application.

## CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.

2. Respondent's conduct constitutes the conduct of affairs under the license showing the licensee to be incompetent or a source of injury and loss to or repeated complaint by the public or any insurer within the meaning of A.R.S. §20-316(A)(7).

3. Grounds exist for the Director to suspend, revoke, or refuse to renew Respondent's insurance licenses, and/or impose a civil penalty pursuant to A.R.S. §§20-316(A) and 20-316(C).

## ORDER

IT IS HEREBY ORDERED THAT Respondent shall pay a civil penalty of two hundred and fifty dollars (\$250) to the Director payable upon the entry of this Order for remission to the State Treasurer for deposit in the State General Fund.

DATED AND EFFECTIVE this 8 day of June, 2001.

  
CHARLES R. COHEN  
Director of Insurance

## CONSENT TO ORDER

1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.

2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, and admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and Order.

3. Respondent is aware of his right to notice and a hearing at which he may be represented by counsel, present evidence and examine witnesses. Respondent irrevocably waives his right to such notice and hearing and to any court appeals relating to this Consent Order.

4. Respondent states that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to him to induce him to enter into this Consent Order and that he has entered into this Consent Order voluntarily.



1           5.       Respondent acknowledges that the acceptance of this Consent Order by the Director is  
2 solely to settle this matter against him and does not preclude any other agency, officer, or subdivision  
3 of this state from instituting civil or criminal proceedings as may be appropriate now or in the future.

4           6-6-01

5           \_\_\_\_\_  
6           Date

7           

8           \_\_\_\_\_  
9           Mickey Nelson Clayton  
10          License Number 15595

11       COPIES of the foregoing mailed/delivered  
12 this 11th day of June, 2001, to:

13       Mickey Nelson Clayton  
14       Mickey Clayton Insurance  
15       5050 North 19<sup>th</sup> Avenue, #10  
16       Phoenix, AZ 85015

17       Atlanta Casualty Company  
18       P.O. Box 105435  
19       Atlanta, GA 30348

20       AIG National Ins. Co  
21       4501 N. Point Parkway, Suite 500  
22       Alpharetta, GA 30201

23       American Summit Insurance Company  
24       7301 Ohms Lane, Suite 355  
25       Minneapolis, MN 55439-2336

26       Chicago Insurance Company  
27       55 E. Monroe Street  
28       Chicago, IL 60603

29       Clarendon National Insurance Company  
30       1177 Ave. of the Americas  
31       New York, NY 10036

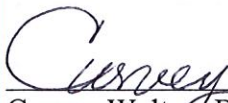
32       CSE Safeguard Insurance Company  
33       989 Market Street  
34       San Francisco, CA 94103

1	Deerbrook Insurance Co
2	2775 Sanders Road
3	North Brook, IL 60062-7127
4	Financial Indemnity Company
5	P. O. Box 10360
6	Van Nuys, CA 91410-0360
7	Foremost Property and Casualty Insurance Company
8	P. O. Box 2450
9	Grand Rapids, MI 49501-2450
10	Hartford Ins. Company of the Midwest
11	Hartford Plaza
12	Hartford, CT 06115
13	Infinity Insurance Company
14	P. O. Box 830189
15	2204 Lakeshore Drive
16	Birmingham, AL 35283-0189
17	Integon Indemnity Corporation
18	P. O. Box 3199
19	Winston-Salem, NC 27102
20	Metroplitan Direct Property and Casualty
21	P. O. Box 350
22	700 Quaker Lane
23	Warwick, RI 02887
24	Nova Casualty
	180 Oak Street
	Buffalo, NY 14203
	OMNI Insurance Company
	1000 Parkwood Circle
	Atlanta, GA 30339
	QBE Insurance Corporation
	88 Pine Street
	16 <sup>th</sup> Floor, Wall St. Plaza
	New York, NY 10005
	Safeway Insurance Company
	790 Pasquinelli Drive
	Westmont, IL 60559-1254

1 Victoria Automobile Insurance Company  
5915 Landerbrook Dr., Suite 210  
2 Cleveland, OH 44124-4058

3 Windsor Insurance Co  
P. O. Box 105091  
4 Atlanta, GA 30348

5 Sara M. Begley, Deputy Director  
Gerrie L. Marks, Executive Assistant for Regulatory Affairs  
6 Mary Butterfield, Assistant Director  
Catherine M. O'Neil, Consumer Legal Affairs Officer  
7 Maureen J. Catalioto, Supervisor  
Robert Alonzo, Investigator  
8 Department of Insurance  
2910 North 44<sup>th</sup> Street, Suite 210  
9 Phoenix, Arizona 85018

10   
11 Curvey Walters Burton